

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 1/31/2004**

	As of <u>1-31-04</u>	As of <u>6-30-03</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,513,565,337	\$ 1,293,274,762
INTERNATIONAL EQUITIES	680,464,372	560,765,217
DOMESTIC FIXED INCOME	1,221,002,272	1,136,499,399
INTERNATIONAL FIXED INCOME	129,345,149	110,380,109
REAL ESTATE POOL	184,636,868	168,299,583
VENTURE CAPITAL	118,763,887	103,782,691
INVESTED CASH (NOTE 1)	<u>76,034,903</u>	<u>80,246,521</u>
<b>TOTAL INVESTMENTS</b>	<b>3,923,812,788</b>	<b>3,453,248,282</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	14,091,241	14,239,321
CONTRIBUTIONS/ASSESSMENTS REC	5,028,285	6,260,471
MISCELLANEOUS RECEIVABLES	<u>2,122</u>	<u>43,806</u>
<b>TOTAL RECEIVABLES</b>	<b>19,121,648</b>	<b>20,543,598</b>
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	7,334,958	7,521,244
DUE FROM OTHER AGENCIES (NOTE 3)	69,469	54,660
FIXED ASSETS (NET) (NOTE 4)	<u>3,414</u>	<u>3,414</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,950,342,277</u></b>	<b><u>\$ 3,481,371,198</u></b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	2,138,620	2,220,333
ACCRUED EXPENSES	221,848	379,377
DUE TO OTHER AGENCIES (NOTE 5)	<u>69,470</u>	<u>54,660</u>
<b>TOTAL LIABILITIES</b>	<b>2,429,938</b>	<b>2,654,370</b>
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,478,716,828	3,346,332,984
CASH IN DURING YEAR (NOTE 6)	155,849,451	264,797,201
CASH OUT DURING YEAR (NOTE 7)	156,535,886	288,420,000
NET INCREASE (DECREASE)	<u>469,881,946</u>	<u>156,006,643</u>
<b>NET ASSETS AVAILABLE END OF PERIOD</b>	<b><u>3,947,912,339</u></b>	<b><u>3,478,716,828</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS AVAILABLE</b>	<b><u>\$ 3,950,342,277</u></b>	<b><u>\$ 3,481,371,198</u></b>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 1/31/2004**

	Month Ended <u>1-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 6,832,474	\$ 67,238,978
SECURITIES LENDING INCOME	310,959	1,897,836
	<u>7,143,433</u>	<u>69,136,814</u>
 GAIN ON SALE OF INVESTMENTS	 35,224,617	 253,379,692
LOSS ON SALE OF INVESTMENTS	<u>19,356,168</u>	<u>166,144,057</u>
 NET GAINS (LOSSES) INVESTMENTS	 15,868,449	 87,235,635
 INVESTMENT EXPENSES	 354,717	 5,565,594
SECURITIES LENDING EXPENSES	<u>243,627</u>	<u>1,479,722</u>
 NET INVESTMENT INCOME	 22,413,538	 149,327,133
 NET APPREC (DEPREC) MARKET VALUE	 48,650,442	 336,942,808
MISCELLANEOUS INCOME/(EXPENSE)	<u>(451,525)</u>	<u>(170,054)</u>
 TOTAL INVESTMENT INCOME	 70,612,455	 486,099,887
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 5,441,154	 28,235,374
PURCHASED SERVICE CREDIT (NOTE 9)	86,771	2,325,371
PENALTY & INTEREST (NOTE 10)	<u>10</u>	<u>(182)</u>
 TOTAL ADDITIONS	 <u>76,140,390</u>	 <u>516,660,450</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,362,812	44,764,744
REFUNDS TO MEMBER (NOTE 12)	<u>173,314</u>	<u>1,239,994</u>
 TOTAL BENEFITS PAID	 6,536,126	 46,004,738
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	71,905	484,787
OPERATING EXPENSES	43,251	288,979
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>115,156</u>	 <u>773,766</u>
 TOTAL DEDUCTIONS	 <u>6,651,282</u>	 <u>46,778,504</u>
 NET INCREASE (DECREASE)	 <u>\$ 69,489,108</u>	 <u>\$ 469,881,946</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**January 31, 2004**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                      INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                      OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                      DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                      FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                      DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                      CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                      CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**1/31/2004**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.